

Fertilizers Europe statement on the WTO Panel's report regarding EU dumping methodologies, anti-dumping duties on Russian imports

Fertilizer Europe, on behalf of the EU ammonium nitrate (AN) industry, readily acknowledges the WTO Panel's approval of the legitimacy of the EU's Basic Anti-dumping regulation and in particular the clauses therein relevant to "cost adjustments". Furthermore, the EU AN industry having undergone a 15-month sunset review intensive European Commission investigation is not surprised at all that the WTO Panel finds the European Commission conduct of the investigation to be correct and professional.

However, the AN industry finds it regrettable that the WTO Panel disapproved of the European Commission's use, "as applied", of the gas cost adjustment, but is encouraged that the Panel is very clear that "out of country" data, information and benchmarks can be used and worked by investigating authorities.

This WTO Panel - consistent with earlier WTO cost adjustment cases on bio-diesel Argentina and AN Ukraine - has judged that the EU did not take adequate or sufficient account of the (gas) costs of production / market situation in the country of origin (Russia).

In a very real calculation way, the European Commission and the EU industry did make considerable efforts with regard to finding a "market economy" gas cost factor for AN anti-dumping investigations. In fact, the Russian export gas price to Germany is taken as the best true market benchmark and net backed to Russian AN plants. The WTO Panel seems to implicitly be suggesting that more justifications or internal benchmarks need to be appraised.

Indeed, the Russian government – Gazprom - independent gas suppliers and fertilizer manufacturers – all recognise and regularly publicly report on the dominant role of the state's regulated artificially low gas prices regulating Gazprom's gas sales in the Russian domestic market.

It is therefore economically unjust that the WTO Panel judgement allows this type of distorting state intervention to go uncorrected. Fertilizers Europe therefore is calling upon the EU and the WTO to re-appraise this judgement and to take further detailed consideration of the European Commission's past appraisals and calculations of the "gas adjustment" as bona fide and correct.

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About Fertilizers Europe

Fertilizers Europe represents the majority of fertilizer producers in Europe and is recognized as the dedicated industry source of information on mineral fertilizers. The Association communicates with a wide variety of institutions, legislators, stakeholders and members of the public who seek information on fertilizer technology and topics relating to today's agricultural, environmental and economic challenges.

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